

Financial exploitation

What is child financial exploitation?

Child financial exploitation is a form of abuse. It occurs when an individual or group takes advantage of an imbalance of power to encourage or force a child under 18 to undertake a financial activity that benefits the perpetrator or facilitator. The perpetrator(s) might coerce, control, manipulate, or deceive the young person. This activity is often criminal and therefore is a form of child criminal exploitation. It includes but is not limited to money laundering and wider fraud.

The Children's Society (2024)

Although this resource focuses on children, it's important we also recognise that young people are often targeted for financial exploitation as they transition into adulthood and still require protection and support.

Financial exploitation can take many forms, but for the purposes of this document, we refer to the practice of using a child's bank accounts (or online wallets) to hold, transfer, or hide funds or assets for the purposes of exploitation. These funds are often the direct proceeds of crime.

While there are many positive aspects to online life, the emergence of internet banking, online gaming, technological advancements, and social media has created new spaces and opportunities for perpetrators to target and exploit children for financial gain.

The grooming of children for financial exploitation follows a familiar pattern to other forms of child exploitation, harm, and abuse.

Children are **targeted** by perpetrators, often online through social media adverts of 'easy cash', and then **groomed** through promises of payment or gifts, including cryptocurrency, online gaming credits, or 'skins'. These gifts are often used to establish an emotional or monetary debt, and as a gateway to further exploitation, harm, and abuse.

Reframing the term 'money mule' to 'financial exploitation'

Agencies often refer to young people who are being financially exploited as 'money mules'. This is problematic because it is essentially describing children as animals.

Dehumanising language is never advisable and risks reinforcing negative narratives and stereotypes of victims as offenders. The term 'money mule' focuses the conversation entirely on the person's actions – in this case, fraudulent bank activity – and ignores the complexity of the situation and the child's exploitation, while implying consent and agency.

Just as describing a criminally exploited young person groomed into county lines as a 'drug dealer' is unhelpful, so too is the term 'money mules' in this context.

Children have also been approached at cashpoints and via gaming platforms and can also be exploited through relationships including with family members, carers, and those who convince young people they are in a consensual romantic 'relationship'.

Children may be **tested** by being told to make small transactions that can then lead to requests to hold or 'clean' large quantities of money. The child becomes complicit in fraud and money laundering, often without realising these are criminal funds. The child can then experience further threats and extortion from their exploiters.

Children are often **trapped** in debt bondage and potential poverty through funds being confiscated and accounts being shut down, leaving the child at increased risk of harm. Exploiters will then capitalise on this and may use the situation to coerce the child into other forms of exploitation and abuse.

Online sexually coerced extortion

Children of all genders may be groomed and coerced online to create and share intimate and/or sexual images or videos and once these are received or recorded by the perpetrator, they then threaten to share the content unless the victim is compliant with their demands. These are often but not exclusively financial.

What is the impact on children and young people?

Children who are financially exploited may be subjected to terrifying threats, violence, and sexual abuse. Children are often exposed to significant physical harm and long lasting trauma. As with other forms of criminal exploitation, all the risk and danger fall onto the young person. The perpetrators are shielded from harm, unless agencies work together to safeguard these children while targeting the real criminals profiting from their abuse.

Taking a fraud-focused, punitive approach to children experiencing financial exploitation can have severe, long-term consequences, including:

- bank accounts being shut down or suspended, placing children and families at increased risk and in situations of financial hardship
- closed accounts and seized money can leave children trapped in debt to their exploiters who will then use this to further abuse them
- children facing up to 14 years in prison
- detrimental impact on children's future employment, ability to earn and save money, and access to housing and education.

The above measures can leave a child at increased risk of further exploitation.

What can you do about it?

Be professionally curious and consider all forms of exploitation when observing indicators.

Child financial exploitation may often be overlooked because it appears in more 'subtle' ways than other forms of exploitation. The small transactions may seem 'unimportant', so are often not reported or taken seriously.

Listen out for slang terms that children or others might use. **Terminology can often change over time and vary across geographical regions. It's important to listen to the language young people are using. Do you know what it means? If not, ask them.**

Ensure you respond to signs of child financial exploitation as a safeguarding concern, recognising it as exploitation and abuse. Always report your concerns and follow your usual safeguarding policy including responding to and reporting financial exploitation as a form of modern slavery.

If a child is in immediate danger, contact 999 or 101 in a non-emergency.

Escalate concerns if you feel they are not being taken seriously or are not receiving an appropriate safeguarding response from the relevant statutory agency.

Share any information or intelligence you obtain about the ways in which children are being groomed and financially exploited. For example, children talking about 'adverts' on social media promoting 'easy cash' or gifts they have been bought online.

To understand the true nature of harm, grooming, and exploitation in online spaces you must include specific details. It is common for reports that include online spaces who have the names of these spaces spelt incorrectly. Sometimes, reports simply say 'online' or 'on an app'.

Use appropriate language to reframe the issue from one of fraud, criminality, and choice, to one of exploitation and abuse. This shift in language encourages appropriate safeguarding interventions, which lead to improved support and outcomes for children.

Be part of the conversation. Learn more about financial exploitation and talk about it with colleagues. What are they seeing in practice? Share this learning with partners outside your organisation wherever possible.